KENTUCKY CHRISTIAN EDUCATION NETWORK

KENTUCKY'S FEDERAL TAX CREDIT SCHOLARSHIP

Learn How You Can Turn Your Taxes Into Christian School Scholarships

> *For the first time in American history, you can redirect your federal tax dollars to Christian school scholarships through the Education Freedom Tax Credit.*

WHAT IS THE EDUCATION FREEDOM TAX CREDIT?

The Education Freedom Tax Credit (EFTC) is a new federal tax credit that allows taxpayers to claim a tax credit of up to $1,700 to offset donations to approved Scholarship Granting Organizations (SGOs). The EFTC is a dollar-for-dollar reduction in federal tax liability, representing the most impactful form of tax benefit. Unlike a deduction, which merely lowers taxable income, this credit directly reduces the amount of tax owed.

Kentucky enrolled in the federal EFTC on July 22, 2026, after the 2026 General Assembly passed HB 1 . The law designates the Kentucky Secretary of State as the state's SGO registrar. Kentuckians can begin donating to registered and approved SGOs starting January 1, 2027.

HOW THE TAX CREDIT WORKS

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You Owe Taxes

Redirect up to $1,700 anually of the federal taxes you already owe to an SGO.

You Donate to an SGO

Give to the KY Christian Education Network (KY CEN) SGO, optionally naming a school.

You Receive the Credit

The full gift comes back dollar-for-dollar on your federal return.

Scholarship Awarded

Your donation funds scholarships for students at participating Christian schools.

WHY THIS TAX CREDIT MATTERS?

1. The biggest opportunity to expand Christian education in Kentucky's history.

Significant barriers, especially financial, keep many students in schools that too often teach values at odds with Scripture. If we want the next generation to know and love Christ, we must make education grounded in a biblical worldview accessible to more Kentucky families. This new tax credit has the ability, if leveraged by believers, to put a Christian education within reach of every Kentucky family who wants one.

2. A call to biblical stewardship.

Scripture calls on believers to be good stewards of their resources. The tax credit encourages Christians to be better stewards of their tax dollars by allowing them to redirect their tax dollars from the Washington abyss into gospel-centered, Christian education. Christians should take full advantage of the tax credit to transform their tax liability into a powerful investment impacting the next generation for Christ.

For decades, Christian families have paid for two school systems — the one their children attend, and the one they are forced to support. This tax credit changes that equation for the first time.

FREQUENTLY ASKED QUESTIONS

Why Christian Education?

Scripture calls parents to train our children in the instruction of the Lord (Ephesians 6:4). Kids in schools that teach from a biblical worldview are far more likely to hold one themselves, while 90% of Christian kids in public school do not have a biblical worldview. Providing a Christian education to as many kids as possible is one of the most effective ways to raise up a generation that knows and loves Christ.

Who qualifies to receive a scholarship?

Any household with a qualifying K-12 student below 300% of Area Median Gross Income. 90% of students are estimated to qualify.

Can homeschoolers join KY CEN?

Yes, through a co-op or homeschool organization, which can then join KY CEN and extend the SGO benefit to its members.

Can I designate a specific school?

Yes, as long as the school participates in the SGO — or you can give an undesignated gift. Donors cannot designate specific students.

Will participating put our school's independence at risk?

No. The benefit flows as a federal tax credit to donors, who give private dollars to an SGO, which then awards scholarships to families — your school is not a direct recipient of federal funds. Both the U.S. and KY Constitutions, along with federal law, protect participating private and religious schools. Further, KY CEN is committed to continuing to advocate that all school choice programs come with "no strings attached."

How much of my gift reaches scholarships?

SGO administrative costs are capped at 10%, so at least 90% of every donation funds scholarships. Giving through KY CEN SGO ensures the majority of the administrative fee is reinvested in Kentucky Christian schools and for advocacy in Kentucky.

Who awards the scholarships?

SGOs award scholarships to schools on behalf of families, based on the amount of donations designated to your school.

What can scholarship funds be used for?

Private school tuition and fees, books, supplies, and classroom materials, tutoring and special-needs services, computers, tablets, and technology, internet access for learning, school uniforms and required attire, and transportation to and from school.

Does this cost Kentucky any tax dollars?

No. The program uses a federal tax credit, not state appropriations. The program simply encourages private donations by allowing taxpayers to redirect a portion of their own federal taxes to support the educational option of their choice.

What should schools do right now to prepare?

Confirm your tax-exempt status and join KY CEN to participate in the CEN SGO and benefit from advocacy in Kentucky that champions Christian education and biblical values. CEN SGO is built exclusively for Christian schools, has proven success, operates a world-class tech platform, and provides marketing support to maximize the tax credit opportunity in your community.

ABOUT THE KENTUCKY CHRISTIAN EDUCATION NETWORK

The Kentucky Christian Education Network (KY CEN) is a coalition of Christian schools and community members across the Commonwealth who stand for freedom in education. KY CEN, a division of The Family Foundation, protects the religious liberty of Christian schools and advocates to ensure every Kentucky family has access to a Gospel-centered education.

GET INVOLVED

Families

See if your child qualifies and find a participating Christian school.

Donors

Redirect up to $1,700 of what you already owe, every year.

Schools

Partner with KY CEN today to access our SGO and for a Christian voice in Frankfort.